

January 16, 1976

SENATOR BURBACH: Yes, I would like to close. Mr. President, members of the Legislature, we have discussed this at great length yesterday morning and this morning. I would like to renew a statement that I made, either a direct statement or a statement to a question which was directed at me. There is one difference between my amendment and LB 382 and that difference is who shall pay the tax. That patron who receives the cold cash dollars under this amendment is the individual who pays on that tax that he receives in that cold cash. That money which is retained by the co-op corporation, they will pay their tax of that money that is returned. Let me give you an example of how money is withheld. I presume that there are probably as many solutions or as many determinations made for the dispersion of this money as there are co-ops in the state, or nearly as many, because each individual co-op when they draft their articles of incorporation and their by-laws, they make certain determinations of under what conditions. Let me tell you of one co-op that is in McCook, or near McCook, at least. You must dispose of your farm property before you could ever have this money returned to you. Another one is at the age of 65. Another one is when you become deceased and it is settled with the estate. Another one is when you quit doing business and then there are other facets just like we discussed this morning. Some co-ops pay an interest on this retained earnings and some do not. So I mean, there are many, many different ways. For example, in the little town of Crofton, now I had the best relationships with all the members, directors, and especially the manager. I have no axe to grind with co-ops. Our relationship was of the very, very highest caliber. We would exchange feed. If I was short of salt, oyster shells, ingredient feeds, fertilizer, items that I handled and that they handled, we would need to exchange at times. If I were out or they were out, we traded products. We set our differences in price together and we paid them or they paid them at the wholesale cost plus handling charge. So, further, let me tell you that I deal with co-ops in more ways than exchanging. I am a purchaser at Fordyce at the lumber yard. I have stock in this operation. I am a member, a voting member. Just recently, as late as January 2, I sold my operation, the grain and feed operation to the lumber yard, the co-op in town. If I were anti-co-op, I certainly would have looked for a different buyer than that co-op locally. I wished them well. They paid me at a determined price, not the price I asked for but it was a price we decided would be fair. So, now then, we are attempting to the tune of \$300,000, in some instances we have discussed it may be \$500,000, either under LB 382 or this bill, we are washing out that double taxation. Some even refer to it as triple taxation and this amendment is plain, simple, one tax and only one tax. In the case of the final dissolution or disbursement of the monies, this is the same under this amendment as it is under LB 382. One thing I would like to urge this body to consider. Do not confuse this tax or any other tax of co-ops, do not confuse it with the federal income